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SUBJECT: PANAMA: EX-MOLIRENA MEMBER/NEW PATRIOTIC UNION

MEMBER SHARES POLITICAL VIEWS

Classified By: POLCOUNS BRIAN R. NARANJO. REASONS: 1.4 (B) AND (D).

SUMMARY

11. (C) "Over five thousand former members of the (Liberal Republican Nationalist Movement) MOLIRENA have joined Patriotic Union (UP)," Delia Cardenas told POLCOUNS during their May 3 during. Cardenas, one of the more notable ex-MOLIRENA members to join UP, asserted that UP would be the primary beneficiary of MOLIRENA's collapse. While she noted that UP's current co-presidents Jose Mulino and Anibal Galindo would run for the party presidency, Cardenas said she hoped a consensus candidate could be identified. She acknowledged that former First VP Billy Ford would be an ideal consensus candidate: he would be best equipped to consolidate this new party and to gain the support of independent voters who were essential to any election victory in Panama. Increasingly dissatisfied with politics as usual and were looking for new options, something UP -- the newly formed conglomeration of the old Solidarity party and the National Liberal party -- hoped to provide, she explained. Cardenas stated that UP had to enter into alliance to support an opposition candidate since to field its own presidential candidate would split the field and hand the governing Revolutionary Democratic Party (PRD) a victory.

UP Primary Beneficiary of MOLIRENA Exodus

12. (C) Cardenas, who was Panama's Superintendent of Banks until forced out in August 2006 by President Torrijos, asserted that UP would be the primary beneficiary of MOLIRENA's collapse. The fusion of the Solidarity and the National Liberal parties into UP, Cardenas explained, opened up new opportunities and would ensure a future for former MOLIRENA activists. Cardenas was very confident that UP would make significant progress adding to its ranks. She herself was actively traveling across Panama, at times along with Ford, to enlist new UP supporters. Though this lifetime MOLIRENA member lamented the fate of her party, Cardenas acknowledged that MOLIRENA had ceased to be a political force. While the infusion of new MOLIRENA blood into UP was important, Cardenas said that MOLIRENA, though a always a small party, had consistently secured significant support from independent voters. In a country where sixty percent of voters were not affiliated with any party, Cardenas explained, this capability to appeal to independents was essential to victory at the ballot box, a capability that

UP Party Convention: Opportunity to Unity

13. (C) Cardenas repeated the common street wisdom that former Liberal National president Anibal Galindo and former Solidarity party president Jose Mulino would run against one another to be president of UP, the result of the fusion of the two previous parties that they led. Ideally though, Cardenas said, a consensus candidate would be identified before the August 19 UP convention. A victory by Mulino or Galindo would run the risk that significant sectors of UP would be alienated if the former head of their former party lost. Asked whether ex-MOLIRENA luminary and former First VP Billy Ford would run for the UP Presidency, Cardenas smiled and commented that Ford would be an excellent consensus choice. Ford was charismatic, had a proven track record of securing support from independent voters, and was widely respected throughout UP. Separately, UP Treasurer told POLFSN that party leaders were considering Ford as a possible consensus candidate to assume the party presidency. She said that she would accompany Ford to La Chorrera on May 8 and to Colon on May 10, visits aimed at enlisting UP supporters.

## UP Looks to Presidential Race

- 14. (C) UP had to enter into an alliance to support an opposition presidential candidate, Cardenas said. She dismiss the idea that Billy Ford would seek to run for the presidency. "It would be a folly for UP to further divide the opposition vote by fielding its own candidate and to squander its new found unity and electoral weight," Cardenas explained. Asked how a party that now had significant ex-MOLIRENA membership -- including significant anti-Noriega activists like Billy Ford -- could remain with UP should it endorse prospective PRD presidential candidate and current First VP and FM Samuel Lewis, Cardenas said flatly that it would be difficult for UP's MOLIRENA refugees to support the PRD. (Note: Lewis' uncle, Samuel Lewis Galindo, is essentially the godfather of UP. There has been much speculation that Lewis' uncle would steer the UP to support Lewis.) Separately, Ford told POLCOUNS that he would walk if UP endorsed Lewis.
- 15. (C) Panamenista Party President Juan Carlos Varela, who stopped by the table, commented that he had been impressed during a recent swing through the interior by high degree of pressure among local level opposition party members for a unified opposition candidate. While Varela remained on message advocating for his desired inter-party opposition primary, Cardenas agreed, after Varela departed, that across opposition parties at the local level there was significant impatience with the opposition's perceived inability to unify behind a single challenger to the PRD. Opposition parties, she said, had gone and were continuing to go through a healthy process of renewal. The Panamenistas had consolidated last summer behind Varela, though Varela squandered this unity with his "strange" position against the October 2006 referendum on canal expansion. Solidarity and the Liberal Nationals had united, while MOLIRENA was slowing fading away.
- 16. (C) Continuing, she explained that, responding to increasing voter discontent with politics as usual, prospective presidential candidates were trying to position themselves as new and as breaks with the past. Varela portrayed himself as a new Panamenista and clashed with former President Mireya Moscoso who was widely discredited for mismanagement and corruption. Though previously a Moscoso administration minister, Democratic Change (CD) President Ricardo Martinelli was the most stark example of a candidate positioning himself as a rejection of politics as usual. UP would emerge after its August convention renewed and positioned to capitalize on voters search for something

new.

Comment

17. (C) Cardenas portrayed the exodus of former MOLIRENA members to UP as a search for a new lease on political life. It remains to be seend whether ex-MOLIRENA members will succeed in securing their political futures in UP. Presently the second largest oppostion party with over 125,000 members, UP will have an interesting role to play in the upcoming campaign season that Cardenas said would begin in earnest in September or October. Cardenas and Ford clearly hope to keep UP in the opposition fold and to prevent it from partnering with the PRD should Lewis securing its presidential nomination. If it stays in the opposition, UP will likely play a decisive role in helping unify the opposition.

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